

DRAFT

**QUONSET DEVELOPMENT CORPORATION
MEETING OF BOARD OF DIRECTORS**

June 17, 2013

PUBLIC SESSION MINUTES

A meeting of the Board of Directors of the Quonset Development Corporation (the “Corporation”) was held at 5:00 p.m. on Monday, June 17, 2013, at the offices of the Corporation located at 95 Cripe Street, North Kingstown, Rhode Island, pursuant to notice to all members of the Board of Directors and a public notice of the meeting as required by the Bylaws of the Corporation and applicable Rhode Island Law.

The following members constituting a quorum were present and participated throughout the meeting as indicated: Guy Asadorian, Jr., James Berson, Robert H. Breslin, Jr., Kas R. DeCarvalho, Elizabeth Dolan, Barbara Jackson, John G. Laramee, Anthony F. Miccolis, Jr., James Rugh, Marcel A. Valois, and Richard A. Welch. Also present were: Steven J. King, P.E., Managing Director; E. Jerome Batty, Secretary; and Corporation’s staff and members of the public.

1. CALL TO ORDER:

The meeting was called to order at 5:01 p.m. by Chairman Marcel A. Valois. Mr. Valois, newly appointed Economic Development Corporation Director, gave a brief introduction.

2. APPROVAL OF MINUTES:

A. Upon motion duly made by Mr. Breslin and seconded by Mr. Laramee, the Board:

VOTED: To approve the Public Session minutes of the April 15, 2013 meeting, as presented.

Voting in favor were: Guy Asadorian, Jr., Robert H. Breslin, Jr., Kas R. DeCarvalho, Elizabeth Dolan, Barbara Jackson, John G. Laramee, Anthony F. Miccolis, Jr., James Rugh, and Richard A. Welch.

Voting Against were: None.

Unanimously Approved.

B. Upon motion duly made by Ms. Jackson and seconded by Mr. Breslin, the Board:

VOTED: To approve the Executive Session minutes of the April 15, 2013 meeting, as presented.

Voting in favor were: Guy Asadorian, Jr., Robert H. Breslin, Jr., Kas R. DeCarvalho, Elizabeth Dolan, Barbara Jackson, John G. Laramee, Anthony F. Miccolis, Jr., James Rugh, and Richard A. Welch.

Voting Against were: None.

Unanimously Approved.

3. STAFF REPORTS:

Mr. King reviewed the staff report with the Board (Tab 3).

4. COMMITTEE REPORTS:

There were no committee meetings.

5. APPROVALS:

A. Approval of the Transfer of Land to Toray Plastics (America), Inc. ("Toray Plastics"):

Mr. King advised the Board the Toray Plastics vote was primarily a procedural vote and explained in the late 1980's Toray Plastics purchased their land at Quonset (tax assessor's plat 184, lots 4,8,12 and 20) totaling 77 acres to build their facility. In the 1990's Toray

Plastics used that land as bond collateral to secure financing from the Rhode Island Economic Development Corporation (“RIEDC”). As of December 2012, Toray Plastics has repaid the bond and the Corporation, RIEDC, and Toray Plastics have been working to put together documents to execute the land transfer. Mr. King asked the Board for their vote to convey the land back to Toray Plastics.

Ms. Dolan asked about the tax implications. Mr. King advised Ms. Dolan that Toray Plastics has a tax treaty with the Town of North Kingstown and pays their taxes directly to the Town of North Kingstown.

James Berson joined the meeting at 5:23 p.m.

Upon motion duly made by Mr. Berson and seconded by Ms. Jackson, the Board:

VOTED: That the Corporation acting by and through its Chair, Vice-Chair, Managing Director or Finance Director, each of them acting alone the "Authorized Officers" is hereby authorized to enter into, execute and deliver, as agent and attorney in fact of the Rhode Island Economic Development Corporation, and in accordance with (a) that certain Lease Agreement between Rhode Island Port Authority and Economic Development Corporation and Toray Plastics (America), Inc., dated December 15, 1992 and recorded in the Land Evidence Records of the Town of North Kingstown (the “Records”) in

Book 780 at Page 291, (b) that certain Lease Agreement between Rhode Island Port Authority and Economic Development Corporation and Toray Plastics (America), Inc., dated December 15, 1992 and recorded in the Records in Book 780 at Page 325, and (c) that certain Lease Agreement between Rhode Island Economic Development Corporation and Toray Plastics (America), Inc., dated February 26, 2008 and recorded in the Records in Book 2094 at Page 134 (collectively, the “Leases”), the following instruments (collectively, the “Agreements”): (i) a Quitclaim Deed conveying to Toray Plastics (America), Inc. real property currently designated as North Kingstown Tax Assessor’s Plat 184, Lots 4, 8, 12, and 20, as more particularly described in the Quitclaim Deed; (ii) a Bill of Sale conveying to Toray Plastics (America), Inc. certain buildings, improvements, machinery, equipment and furnishings, as more particularly described in the Bill of Sale; (iii) a Termination of Lease Agreements terminating the Leases, and (iv) a Termination of Assignments of Lease Agreement and Pledged Revenues terminating that certain Assignment of Lease Agreement and Pledged Revenues, dated as of December 15, 1992 and that certain Assignment of Lease Agreement and Pledged Revenues, dated as of February 28, 2006, all as substantially in accordance with the Request for Board Authorization presented to the Board.

VOTED: That each of the Authorized Officers, acting singularly and alone, be and each of them hereby is authorized, empowered and directed to effectuate the intent of the foregoing resolutions by

executing, delivering and performing any and all modifications, renewals, confirmations and variations of such Agreements or as any of the Authorized Officers acting singularly and alone shall deem necessary, desirable and without further specific action by this Board, and on behalf of the Corporation, such Authorized Officers are hereby authorized, empowered and directed to prepare or cause to be prepared and to execute, perform and deliver in the name and on behalf of the Corporation the Agreements and/or all related and ancillary agreements and documents in connection with the terms and conditions to be effectuated by the Agreements, including any and all agreements, contracts, certificates, licenses, assignments, and memorandums upon such terms and conditions and with such changes, additions, deletions, supplements and amendments thereto as the Authorized Officer executing or authorizing the use of the same shall determine to be necessary, desirable and appropriate and in the best interest of the Corporation.

VOTED: That in connection with any and/or all of the above resolutions, the taking of any action, the execution and delivery of any instrument, document or agreement by any of the Authorized Officers in connection with the implementation of any or all of the foregoing resolutions shall be conclusive of such Authorized Officer's determination that the same was necessary, desirable and appropriate and in the best interest of the Corporation.

Voting in favor were: Guy Asadorian, Jr., James Berson, Robert H.

Breslin, Jr., Kas R. DeCarvalho, Elizabeth Dolan, Barbara Jackson, John G. Laramée, Anthony F. Miccolis, Jr., James Rugh and Richard A. Welch.

Voting Against were: None.

Unanimously Approved.

B. Approval of Water and Wastewater Utility Rate Schedule:

Mr. King reminded the Board that the Water and Wastewater Utility rate schedule was reviewed and conditionally approved at the April 15, 2013 Board of Directors meeting. Notice of the new rates could be provided to the Quonset Business Park (“QBP”) tenants for their review and comment after the approval. Notices were mailed to every tenant in the QBP in April.

Mr. King stated that there was not one comment on the change to the rates.

Upon motion duly made by Mr. Berson and seconded by Mr. Breslin, the Board of Directors meeting.

VOTED: That the Corporation approves and adopts the water and wastewater utility rates and charges as presented to the Board, at the April 15, 2013 Board of Directors Meeting.

Voting in favor were: Guy Asadorian, Jr., James Berson, Robert H. Breslin, Jr., Kas R. DeCarvalho, Elizabeth Dolan, Barbara Jackson, John G. Laramée, Anthony F. Miccolis, Jr., James Rugh and Richard A. Welch.

Voting Against were: None.

Unanimously Approved.

C. Approval of Lease/Purchase Agreement Modification with HRM Quonset Realty, LLC:

Mr. King advised the Board that a modification was necessary to the HRM Quonset Realty, LLC (“HRM”) lease to purchase proposal for the property located at 545 Callahan Road, which was approved by the Board of Directors at the March 18, 2013 meeting. Mr. King reviewed the proposal from the March 18th meeting, summarizing that the Corporation would lease, and ultimately purchase, 9.9 acres and the 33,000 square foot building located at the site from HRM. The Corporation would then in-turn lease 5.24 acres and the entire building to the Town of North Kingstown (to be discussed further in Approval D). Mr. King explained during due diligence for the land transaction, it was discovered that the facility’s roof is in need of replacement. HRM sought three estimates for the repairs and determines the cost to be between one hundred sixty-five thousand

dollars (\$165,000.00) and one hundred seventy thousand dollars (\$170,000.00). The Corporation has agreed to split the cost of the repairs and is asking the Board to approve an eighty-five thousand dollar (\$85,000.00) purchase price increase.

Upon motion duly made by Mr. Laramée and seconded by Mr. Berson, the Board

VOTED: That the Corporation acting by and through its Chair, Vice-Chair, Managing Director or Finance Director, each of them acting alone the "Authorized Officers" is hereby authorized to enter into, execute and deliver a Lease Agreement, Option to Purchase and other agreements related thereto with HRM Quonset Realty, LLC, or an affiliated entity (the "Lease"), substantially in accordance with the revised Request for Board Authorization presented to the Board (the Lease, Option to Purchase and related documents are referred to herein collectively as the "Agreements").

VOTED: That each of the Authorized Officers, acting singularly and alone, be and each of them hereby is authorized, empowered and directed to effectuate the intent of the foregoing resolutions by executing, delivering and performing any and all modifications, renewals, confirmations and variations of such Agreements or as any of the Authorized Officers acting singularly and alone shall deem necessary, desirable and without further specific action by this Board, and on behalf of the Corporation, such Authorized Officers are hereby authorized, empowered and directed to prepare or cause to be

prepared and to execute, perform and deliver in the name and on behalf of the Corporation the Agreements and/or all related and ancillary agreements and documents in connection with the terms and conditions to be effectuated by the Agreements, including any and all agreements, contracts, certificates, licenses, assignments, and memorandums upon such terms and conditions and with such changes, additions, deletions, supplements and amendments thereto as the Authorized Officer executing or authorizing the use of the same shall determine to be necessary, desirable and appropriate and in the best interest of the Corporation.

VOTED: That in connection with any and/or all of the above resolutions, the taking of any action, the execution and delivery of any instrument, document or agreement by any of the Authorized Officers in connection with the implementation of any or all of the foregoing resolutions shall be conclusive of such Authorized Officer's determination that the same was necessary, desirable and appropriate and in the best interest of the Corporation.

Voting in favor were: Guy Asadorian, Jr., James Berson, Robert H. Breslin, Jr., Kas R. DeCarvalho, Barbara Jackson, John G. Laramee, Anthony F. Miccolis, Jr. and James Rugh.

Voting Against were: None.

Recused were: Elizabeth Dolan and Richard A. Welch

Motion Passed.

D. Approval of Sub-Lease Modification to the Town of North Kingstown:

Mr. King stated the Town of North Kingstown has requested that the lease between Quonset Development Corporation and the Town of North Kingstown for the property at 545 Callahan Road (Approval C above) be modified to include the option to purchase. Mr. King reviewed the rent schedule with the Board (Exhibit A). Under the new agreement, the Town would have 50% of their rental payments applied toward the purchase price and would have the option to purchase the property anytime during the term of their lease. Mr. King noted the Corporation would also have to add a purchase upon request option under the HRM lease/sale agreement (Approval C approve) to accommodate this option. Mr. King acknowledged the Corporation does not typically sell property; however, in this instance, the Corporation does not currently own any of the property at 545 Callahan Road and this agreement with the Town supports reacquiring the 4.74 acres for Quonset and helps relocate the Fire Maintenance Facility as quickly as possible which is essential to Ocean State Job Lot's expansion (discussed further in Approval E below).

Upon motion duly made by Mr. Miccolis and seconded by Mr. Asadorian, the Board

VOTED: That the Corporation acting by and through its Chair, Vice-Chair, Managing Director or Finance Director, each of them acting alone the "Authorized Officers" is hereby authorized to enter into, execute and deliver a Sublease Agreement, with an option to purchase, and other agreements related thereto with the Town of North Kingstown (the "Lease"), substantially in accordance with the revised Request for Board Authorization presented to the Board (the Lease, and related documents are referred to herein collectively as the "Agreements").

VOTED: That each of the Authorized Officers, acting singularly and alone, be and each of them hereby is authorized, empowered and directed to effectuate the intent of the foregoing resolutions by executing, delivering and performing any and all modifications, renewals, confirmations and variations of such Agreements or as any of the Authorized Officers acting singularly and alone shall deem necessary, desirable and without further specific action by this Board, and on behalf of the Corporation, such Authorized Officers are hereby authorized, empowered and directed to prepare or cause to be prepared and to execute, perform and deliver in the name and on behalf of the Corporation the Agreements and/or all related and ancillary agreements and documents in connection with the terms and conditions to be effectuated by the Agreements, including any

and all agreements, contracts, certificates, licenses, assignments, and memorandums upon such terms and conditions and with such changes, additions, deletions, supplements and amendments thereto as the Authorized Officer executing or authorizing the use of the same shall determine to be necessary, desirable and appropriate and in the best interest of the Corporation.

VOTED: That in connection with any and/or all of the above resolutions, the taking of any action, the execution and delivery of any instrument, document or agreement by any of the Authorized Officers in connection with the implementation of any or all of the foregoing resolutions shall be conclusive of such Authorized Officer's determination that the same was necessary, desirable and appropriate and in the best interest of the Corporation.

Voting in favor were: Guy Asadorian, Jr., James Berson, Robert H. Breslin, Jr., Kas R. DeCarvalho, Barbara Jackson, John G. Laramee, Anthony F. Miccolis, Jr. and James Rugh.

Voting Against were: None.

Abstaining were: Elizabeth Dolan and Richard A. Welch

Motion Passed.

E. Approval of a Lease and Land Purchase Option Agreement with

Zakopane Realty, LLC.

Mr. King briefly outlined the existing option agreement with Zakopane Realty, LLC (a real estate holding company for Ocean State Job Lot) stating the Corporation entered into the agreement in November 2003 and it will expire in November 2013. Mr. King explained that under the agreement, Zakopane Realty, LLC pays twenty-five thousand dollars (\$25,000.00) annually for the 22 acres of land adjacent to their current property. Under this agreement, the option payment is applied to the 2003 purchase price of one million eight hundred fifteen thousand dollars (\$1,815,000.00). Mr. King pointed out this is the property that the North Kingstown Fire Maintenance Department currently resides on and will need to vacate under the new lease agreement. Ocean State Job Lot would like to lease the land with an option to purchase so they may begin the site improvement process for the next phase of their expansion. Mr. King summarized the purposed lease noting Zakopane Realty, LLC would now pay fifty thousand dollars (\$50,000.00) annually in rent payments to the Corporation as well as pay one hundred thousand dollars (\$100,000.00) annually in option payments. Option payments will continue to be applied toward the final purchase price and Zakopane Realty, LLC may exercise their option to lease anytime during their 10 year lease option.

Upon motion duly made by Mr. Berson and seconded by Ms. Jackson, the Board

VOTED: That the Corporation acting by and through its Chair, Vice-Chair, Managing Director or Finance Director, each of them acting alone the "Authorized Officers" is hereby authorized to enter into, execute and deliver a Lease Agreement, with an option to purchase, and other agreements related thereto with Zakopane Realty, LLC, or an affiliated entity (the "Lease"), substantially in accordance with the Request for Board Authorization presented to the Board (the Lease and related documents are referred to herein collectively as the "Agreements").

VOTED: That each of the Authorized Officers, acting singularly and alone, be and each of them hereby is authorized, empowered and directed to effectuate the intent of the foregoing resolutions by executing, delivering and performing any and all modifications, renewals, confirmations and variations of such Agreements or as any of the Authorized Officers acting singularly and alone shall deem necessary, desirable and without further specific action by this Board, and on behalf of the Corporation, such Authorized Officers are hereby authorized, empowered and directed to prepare or cause to be prepared and to execute, perform and deliver in the name and on behalf of the Corporation the Agreements and/or all related and ancillary agreements and documents in connection with the terms and conditions to be effectuated by the Agreements, including any and all agreements, contracts, certificates, licenses, assignments,

and memorandums upon such terms and conditions and with such changes, additions, deletions, supplements and amendments thereto as the Authorized Officer executing or authorizing the use of the same shall determine to be necessary, desirable and appropriate and in the best interest of the Corporation.

VOTED: That in connection with any and/or all of the above resolutions, the taking of any action, the execution and delivery of any instrument, document or agreement by any of the Authorized Officers in connection with the implementation of any or all of the foregoing resolutions shall be conclusive of such Authorized Officer's determination that the same was necessary, desirable and appropriate and in the best interest of the Corporation.

Voting in favor were: Guy Asadorian, Jr., James Berson, Robert H. Breslin, Jr., Kas R. DeCarvalho, Elizabeth Dolan, Barbara Jackson, John G. Laramée, Anthony F. Miccolis, Jr., James Rugh, and Richard A. Welch.

Voting Against were: None.

Unanimously Approved.

6. DISCUSSION:

A. Introduction of Draft Regulations for the Procurement of Supplies

and Services:

Mr. Barry stated to the Board that the Corporations rules for procurement of supplies and services filed under the Rhode Island Economic Development Corporation are out dated. The Corporation will be updating the rules and following the Administrative Procedures Act to file the necessary new paperwork. Mr. Barry provided the Board with a draft for review (Exhibit B). The new procedures will be voted on at the next scheduled meeting.

7. MOTION TO ADJOURN TO EXECUTIVE SESSION:

Upon motion duly made by Mr. Welch and seconded by Mr. Rugh, the Board:

VOTED: To adjourn to Executive Session pursuant to Subsection (5) – (Acquisition or Lease of Real Estate for Public Purposes or Disposition of Publicly held Property), Subsection (6) – (Location of Perspective Businesses in Rhode Island) and Subsection (7) - (Investment of Public Funds) of the RIGL §42-46-5(a) (the “Open Meetings Law”).

Voting in favor were: Guy Asadorian, Jr., James Berson, Robert H. Breslin, Jr., Kas R. DeCarvalho, Elizabeth Dolan, Barbara Jackson, John G. Laramée, Anthony F. Miccolis, Jr., James Rugh, and Richard

A. Welch.

Voting Against were: None.

Unanimously Approved.

The meeting adjourned to Executive Session at 5:53 p.m. The meeting reconvened in Public Session at 6:46 p.m.

7. VOTE TO MAINTAIN MINUTES OF EXECUTIVE SESSION CLOSED:

Upon motion duly made by Mr. Berson and seconded by Mr. Laramée, the Board:

VOTED: Pursuant to Section 42-46-4 and 42-46-5 of the General Laws, the minutes of the Executive Session shall not be made available to the public at the next regularly scheduled meeting of the Corporation because such disclosure may adversely impact ongoing negotiations.

Voting in favor were: Guy Asadorian, Jr., James Berson, Robert H. Breslin, Jr., Kas R. DeCarvalho, Elizabeth Dolan, Barbara Jackson, John G. Laramée, Anthony F. Miccolis, Jr., James Rugh, and Richard A. Welch.

Voting Against were: None.

Unanimously Approved.

8. ADJOURNMENT:

**Upon motion duly made by Mr. Miccolis and seconded by Ms. Dolan,
the meeting adjourned at 6:47 p.m.**

Respectfully submitted:

By: _____

Batty, Secretary

E. Jerome